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C O N F I D E N T I A L SECTION 01 OF 03 USNATO 000289

SIPDIS

OSD PASS MDA FOR LTG O'REILLY AND MS. NANCY MORGAN

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SUBJECT: ASD NACHT-LED TEAM CONSULTS WITH NATO ALLIES ON

MISSILE DEFENSE

REF: A. USNATO 262 <u>¶</u>B. MOSCOW 1491

Classified By: Ambassador Ivo Daalder for reasons 1.4 (b) and (d)

- 11. (C/NF) Summary: An interagency delegation led by ASD Michael Nacht met with NATO Allies on June 29 to discuss and consult regarding the ongoing USG Ballistic Missile Defense Review (BMDR), potential MD cooperation with Russia, and the synergy of NATO and U.S. plans for MD in Europe. Allies noted their appreciation for the chance to have high-level consultations with the USG ahead of the Moscow Summit, and their hope that a Moscow de-brief would follow the Summit. Dr. Nacht assured Allies that senior DoD and DoS officials will stop in Brussels following the U.S.-Russia Summit to brief Allies.
- 12. (C/NF) Summary, cont,d: Allies expressed concern about the potential impact of the U.S. European MD Site review on NATO MD efforts, and about linking the U.S. European MD Site to U.S. bi-lateral negotiations with the Russians. They also expressed general support for MD, with some expressing concern for the Russian reaction. There was general agreement that the NATO Russia Council would be the appropriate forum for the discussion of European MD. The U.S. assured Allies this is the beginning of a series of meetings and consultations on MD, which Allies welcomed. End Summary.

ASD NACHT: CHALLENGES, PRINCIPLES & PRIORITIES

- 13. (C/NF) Assistant Secretary of Defense for Global Security Affairs Dr. Michael Nacht met with Allies on June 29, accompanied by the NSC's Barry Pavel, MDA Director for International Affairs Nancy Morgan and EUR/PRA Director Anita Friedt. Dr. Nacht addressed several basic themes during his remarks: the changing strategic environment, the Ballistic Missile Defense Review, defending against rogue states and protecting U.S. forces, missile defense in Europe and cooperation with Russia, and NATO missile defense efforts.
- 14. (C/NF) The 2010 Quadrennial Defense Review (QDR), Dr. Nacht said, will not only reflect evolving defense priorities and strategy; it will in turn be informed by three other Congressionally-mandated reviews currently in progress: The Ballistic Missile Defense Review (BMDR); the Nuclear Posture Review (NPR); and the Space Posture Review (SPR). He outlined the broad principles which will guide the BMDR: Ensure that MD is affordable, effective, and threat-responsive
- Place renewed emphasis on protecting U.S. forces, friends

and allies against regional threats
- Maintain and improve defenses for the U.S. against rogue-state threats

- Continue to make MD an important feature of U.S. international cooperative efforts.

- ¶5. (C/NF) Dr. Nacht noted that the rogue state threats of greatest concern were currently North Korea and, if it continues down its current path, Iran. Recent Iranian flights of a medium-range ballistic missile (MRBM) and a space-launch vehicle underscore the potential threats to our deployed forces, as well as to the territory and populations of friends and allies. The focus of the U.S. long-range MD program is this rogue-state threat. We also remain committed to more effective regional or theater MD that will include continued and increased cooperation with allies.
- 16. (C/NF) MD in Europe and possible cooperation with Russia are the subjects of special attention in Washington. Dr Nacht noted that no decision have been made regarding missile defense in Europe. The final decision will be informed by the nature of the Iranian threat, as well as by cost and effectiveness of MD capabilities, and only in close consultation with allies. MD will be on the agenda for the July Obama-Medvedev Summit in Moscow, and Dr. Nacht assured Allies that senior DoD and DoS officials will stop in Brussels following the Summit to brief Allies.
- ¶7. (C/NF) Dr. Nacht also reassured Allies that any MD cooperation with Russia would be built upon Allies' work together in NATO. He expressed U.S. support for the decision made in Strasbourg to continue work on the possible expansion

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of the Active Layered Theatre Ballistic Missile Defense (ALTBMD) program beyond the protection of deployed NATO forces to include the defense of populations and territory. ALTBMD, he noted, could serve as the command and control backbone of NATO MD, linking Allied defense contributions (including U.S. elements) to cover NATO territory. Whatever form NATO MD eventually takes, it is clear that any future efforts to defend NATO territory should entail the eventual interoperability of U.S. and Allied MD assets.

MDA: PB10 MD STRATEGY, POTENTIAL RUSSIA COOPERATION

18. (SBU) Ms. Nancy Morgan, Missile Defense Agency, presented the context and foundation for Presidential budget for 2010 (PB10) MD decisions based on guidance from the Secretary of Defense, the maturing threat and maturing technologies. Ms. Morgan was asked about and also briefed promising MD initiatives, including early intercept and land-based SM-3. Ms. Morgan also covered three potential areas of technical cooperation with Russia: sensor netting, laser and optical research, and collaborative flight tests.

ALLIES: PROBING QUESTIONS

19. (C/NF) Allies responded to the U.S. presentations with enthusiasm, many representatives making the point that the timing of the visit could not have been better. The implications of the BMDR were not lost on Allies, however. The Netherlands PermRep asked whether the original logic behind missile defense — to obviate the need for deterrence — was still a consideration for U.S. planners. The German and Latvian PermReps also asked about the role deterrence played in current U.S. strategic thinking. Dr. Nacht replied that President Obama's Prague speech contained the important focal point — a world free of nuclear weapons, but probably not in his lifetime. While nuclear weapons exist, there is a need both for deterrence and reliable, cost-effective missile defense. Deterrence may be changing in a world with highly

differentiated threats, and MD is part of an effective deterrence strategy.

- 110. (C/NF) The Dutch PermRep also asked whether progress on a Europe MD system is a function of U.S-Russia cooperation or driven by the Iranian threat? Dr. Nacht replied that negotiations are at a delicate stage. He said under Article 5 the U.S. is committed to the defense of Europe. MD will play an important role in that defense as long as the threat exists. No agreement with Russia will dilute that commitment.
- 111. (C/NF) The Turkish PermRep commented on the indivisibility of Alliance security as it applies to MD, noting that 2/3 of Turkey's landmass lies outside of proposed U.S. European Site coverage (Romania made similar comments). How will THAAD and SM-3 interact with the alliance?
- 112. (C/NF) Dr. Nacht responded that the BMDR was only a few weeks old, that the Obama Administration had inherited a proposed program with many attractive features, and that it was being compared to other architectures, assessed against the threat, with cost effectiveness in mind, and subject to realistic testing. That said, we wanted all of NATO's territory covered by whatever system is eventually deployed, and the indivisibility of Alliance security remained a guiding principle. Ms. Morgan, also the Chairperson of the NATO Missile Defense Project Group (MDPG), indicated that both THAAD and SM-3 weapons systems are included in the current NATO architecture studies provided to the Strasbourg/Kehl Summit. Ms. Morgan also noted that the MDPG is working on six missile defense tasks from the Strasbourg/Kehl Summit related to missile defense. Architecture studies form one of these tasks, and to date the work is proceeding as planned.
- 13. (C/NF) Noting that Russian FM Lavrov had used the phrase "indivisibility of security" in Corfu the previous weekend, and that Russia was also subject to ballistic missile threats from North Korea and Iran, the German PermRep asked whether the U.S. and Russia were discussing cooperation? If so, how would command and control arrangements be handled, and how might these issues be translated into the NATO-Russia Council (NRC)? In addition, the Italian PermRep said that three years before NATO had been told the train is leaving the

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station, and asked if they were on board or not. Now the U.S. is making the points that Allies made then: MD needs to strengthen not weaken indivisibility, MD should not adversely affect relations with Russia, and that MD cooperation with Russia would be even better. Italy also asked when the Iranian threat would become clear.

- 114. (C/NF) In reply, Dr. Nacht noted that discussions with Russia were still in an early stage. We have to have the talks and we will report back. In reply to the Italian PermRep, Dr. Nacht said that, first, the phrase "Third Site" had been replaced by "European MD Site" in order to clarify certain points. The "European MD Site" was intended to protect NATO territory against the emerging Iranian threat. Regarding the Iran timeline, he noted that the ballistic missile and nuclear weapons timelines were separate, but that it was only prudent to start planning now against a threat which would likely materialize in the next decade.
- 115. (C/NF) The Danish PermRep asked whether MD should be discussed in the NRC format? Ambassador Daalder said we would welcome discussing MD in the NRC. The Portuguese PermRep asked whether the BMDR was only considering nuclear-armed ballistic missiles, or whether it was also focusing on ballistic missiles armed with other WMD, or for that matter WMD delivered by other means? Dr. Nacht replied that a nuclear-tipped ballistic missile was considered the greatest threat, but that all the scenarios the Portuguese PermRep mentioned were possible and had to be planned against. It was nearly impossible to distinguish ballistic

missile payloads, so it is only prudent to assume that they are nuclear.

- ¶16. (C/NF) The Norwegian PermRep asserted the importance of pursuing MD in a way that strengthened the Alliance, and asked whether the U.S. had been able to assuage Russian fears concerning MD. They also supported engaging the Russians in the NRC on MD, points which the Danish had also made. Dr. Nacht replied that the Russians remained reticent and suspicious of U.S. MD proposals, especially the European MD Site. All we could do, he added, was show them the actual system capabilities and try to allay some of their concerns. A European MD Site may be effective against a couple of Iranian missiles, but was no threat to the Russia,s strategic deterrence.
- 117. (C/NF) The Czech PermRep applauded the briefings as the continuation of two years of timely MD briefings by the USG at NATO. He also commented that, despite repeated NATO offers to Russia of increased MD cooperation, Lavrov had not moved forward in Corfu, and therefore he doubted Russian goodwill on this matter. Dr. Nacht replied that perhaps the Russians were engaging in pre-Summit posturing, and that Lavrov's comments might be taken in that vein. That said, every moment of every negotiation with the Russians is a challenge.
- 118. (C/NF) The Poles concluded Allied questions and comments by asking if Allies should read anything into the recent cuts that Congress was proposing to specific MD-related projects. Dr. Nacht noted that MD is a polarizing issue in the Congress, some can not get enough and others are skeptical. Secretary Gates has great credibility with Congress on these issues, and cost-effective cuts are only likely to enhance his credibility on the Hill. Ms Morgan added that \$7.8 billion is exactly what MDA and the DOD requested in the FY 2010 MD request. To say there were budget cuts is not accurate.

COMMENT: ALLIES PLEASED, SEEK MOSCOW READ-OUT

- 119. (C/NF) Allies were clearly pleased with both the timing and the content of the Nacht team's presentations. His mention of a high-level team briefing NATO on the way back home from Moscow went over particularly well, and Mission looks forward to supporting that briefing. End comment.
- 120. (U) ASD Nacht has not cleared this cable. DAALDER